

§ 3504.1-2 Where filed.

All bonds shall be filed in the proper BLM office on an approved form. A single copy executed by the principal or, in the case of surety bonds, by both the principal and an acceptable surety is sufficient. Nationwide bonds may be filed in any Bureau State office.

§ 3504.1-3 Surety bonds and personal bonds.

(a) Only those surety bonds issued by qualified surety companies approved by the Department of the Treasury shall be accepted. (See Department of the Treasury Circular No. 570, any supplemental circulars or any replacements).

(b) Personal bonds shall be accompanied by: (1) Cash; (2) cashier's check; (3) certified check; or (4) negotiable U.S. Treasury bonds of a value equal to the amount specified in the bond. Negotiable Treasury bonds shall be accompanied by a proper conveyance to the Secretary of full authority to sell such securities in case of default in the performance of the terms and conditions of the lease or permit.

§ 3504.1-4 Individual permit and lease bonds.

Individual permit and lease bond amounts shall be established on a case by case basis by the authorized officer. Minimum bonding requirements are set forth in the pertinent regulations for specific minerals.

§ 3504.1-5 Statewide and nationwide bonds.

(a) In lieu of separate bonds for each lease or permit, a lessee or permittee may furnish a bond in an amount of not less than \$25,000, as determined by the authorized officer, to cover all leases and permits for a specific mineral in any 1 State.

(b) In lieu of separate bonds for each lease or permit, a lessee or permittee may furnish a bond in the amount of not less than \$75,000, as determined by the authorized officer, to cover all leases and permits for a specific mineral nationwide.

§ 3504.1-6 Change in bond coverage.

The authorized officer may elect to increase or decrease the amount of any bond to be issued or any outstanding

bond when a change in coverage is determined appropriate, except no bond may be reduced below the established minimum amount for that mineral.

§ 3504.2 Default.

(a) Where, upon a default, the surety makes a payment to the United States of an obligation incurred under a lease, the face amount of the surety bond or personal bond and the surety's liability thereunder shall be reduced by the amount of such payment.

(b) After default, upon penalty of cancellation of all of the leases or permits covered by such bond, the principal shall within 6 months after notice, or within such shorter period as may be fixed by the authorized officer, either post a new bond or increase the existing bond to the amount previously held. In lieu thereof, the principal may within that time file separate or substitute bonds for each lease or permit.

§ 3504.3 Termination of period of liability.

The authorized officer shall not give consent to termination of the period of liability of any bond unless an acceptable replacement bond has been filed or until all the terms and conditions of the lease or permit have been met.

Subpart 3506—Assignments and Subleases

§ 3506.1 Permits and leases subject to assignment or sublease.

Any prospecting permit or lease may be assigned or subleased in whole or in part to any person, association, or corporation qualified to hold such lease or permit.

§ 3506.2 Filing fees.

To be accepted for filing, each instrument of assignment of record title, operating rights and overriding royalty assignments shall be accompanied by a nonrefundable filing fee of \$25. Any instrument not accompanied by the filing fee shall not be accepted.

§ 3506.3 Filing requirements.

§ 3506.3-1 Record title assignments.

(a) A separate instrument of assignment shall be filed in triplicate for